

Statement of

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Before the
Committee On Small Business and Entrepreneurship
United States Senate

Concerning
The Role Small Business Should Play in Maintaining Forest Health

Cody, Wyoming

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Mr. Chairman, my name is Rick Cables and I am the Regional Forester for the Rocky Mountain Region of the Forest Service, headquartered in Denver, Colorado. First let me say that I am delighted to be here and I appreciate the committee's interest in the role that small businesses can play in restoring forest health. Forests and grasslands in the Rocky Mountain region are in vital need of efforts to restore their ecological health and reduce the effects of catastrophic wildfire. Thinning overgrown forests to reduce fire hazards, treating insect and disease conditions and improving growing conditions are all part of creating healthy forests.

Critical to the success of our restoration efforts is the need for sufficient infrastructure to handle the biomass that is generated from these restoration treatments. We need the help of the forest products industry to provide the means for restoring our forests.

To restore healthy forests, we often need to remove smaller diameter, low value trees, in addition to harvesting larger sawlog size trees. In many areas of the Rocky Mountain Region, a forest industry infrastructure to help us accomplish this work does not exist to the extent it once did. This makes it more difficult for us to meet our objectives. In areas where a viable forest industry remains, I want to provide opportunities for the industry to expand its capabilities to utilize smaller diameter, low value trees. I realize the importance of building on existing forest

industry infrastructure as much as possible, because it is much more difficult for new companies to make the investments to build new facilities.

Thanks to the President's Healthy Forests Initiative and to recently enacted legislation, we have new tools available to us to address restoration efforts. These tools enhance our ability to take necessary steps for the long-term health of National Forests and Grasslands, with an emphasis on the condition of the resources, not on what we take from the land.

On December 3, 2003, President Bush signed the Healthy Forests Restoration Act (HFRA), legislation that supports the Healthy Forests Initiative. HFRA is a tool that provides us with opportunities to work with communities in reducing wildland fire risks. This legislation expands on current efforts to implement a collaborative process of planning, prioritization of and implementing projects with communities to improve forest health. Projects that meet the criteria defined in HFRA will have a streamlined analysis procedure and an expedited review process to allow critical treatments to be conducted in a timely manner. It gives us the authority to work in new ways with communities to accomplish mutual goals and to provide grants for biomass research.

The President's proposed Budget for Fiscal Year 2005 includes \$760 million to be used by the Department of the Interior and the Department of Agriculture for activities under HFRA, continuing implementation of the President's Healthy Forest Initiative. The budget proposal takes an integrated approach to reducing hazardous fuels and restoring forest and rangeland health. The President's Healthy Forests Initiative creates an ongoing commitment to the health of our forests.

Stewardship contracting is another useful tool available to us. Stewardship contracting focuses on the end result and allows the Forest Service to contract with private companies, communities and others to obtain forest and rangeland products and offset the value of these products against payment for thinning trees and other services. The ability to offer long-term contracts fosters a public/private partnership to restore forest and rangeland health by giving those who undertake the contract the incentive to invest in equipment and infrastructure. This equipment and infrastructure are needed to productively use material generated from forest thinning, such as brush and other woody biomass, to make wood products or to produce biomass energy, all at a savings to taxpayers.

Stewardship projects are developed with community input and awarded on a best-value basis. Every national forest in this region has at least one stewardship

project either in the planning stage or already underway. Some small businesses are already in a good position to be part of these new projects as they are proposed.

As important as the stewardship contracting projects are, I don't want to overlook other, established opportunities for small business. Through various programs the Forest Service provides small business with the three key things they need to do business. First, we offer access to resources, the forests and grasslands we manage. Second, we provide assistance through information and workshops that focus on topics like business management and forest products. Third, we facilitate retention, expansion and creation of business in forest based communities by offering small grants and technical assistance. We connect businesses with Small Business Development Centers and many other state and federal assistance programs to further community enterprises.

We stand ready to work with our local communities, industry and organizations in a partnership to improve forest health and create jobs. This is a truly win-win proposition. The economy wins. The forests win. And maybe most important of all, the future generations of Americans win, too. Thank you for this opportunity to address your committee and I will be pleased to answer any questions.